# DA IR Update

**Presented by:**
**Director, Management Services and Internal Review**
**(Financial Operations)**
**28 June 2004**

# TOPICS

IR Services

Customer Needs

# IR Services

- Assurance Services
  - Formal Review
  - Special Review
- Consulting & Advisory Services
- Risk Management
- Liaison
- Follow-up

Work Meets Professional Standards

# Internal Audit and Oversight in The Army

**U. S. Army Audit Agency**

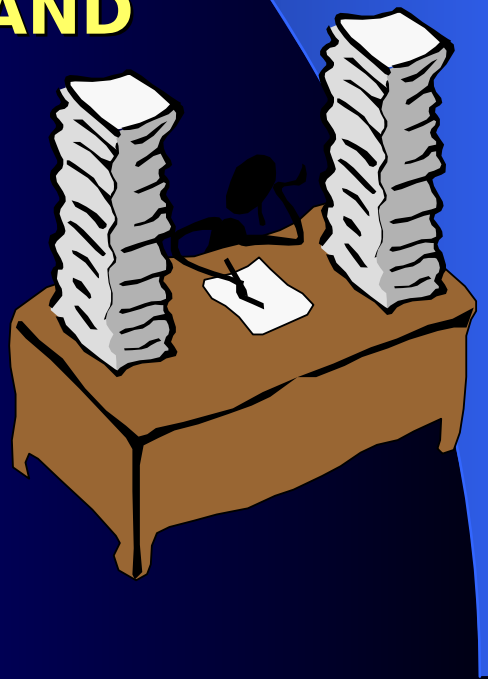
**Heavy Artillery**
- Major Programs
- Functionally Aligned
- Broad Objectives

**Internal Review**

**Special Forces**
- Light
- Flexible
- Adaptive
- Local

# Customer Needs

- ✔ RELIABLE AND TIMELY INFORMATION FOR DECISION-MAKING
- ✔ OBJECTIVE AND CREATIVE SOLUTIONS
- ✔ EFFICIENCY AND EFFECTIVENESS ASSESSMENTS
- ✔ PERFORMANCE MEASURES AND BENCHMARKING
- ✔ RISK ANALYSIS
- ✔ PROBLEM SOLVING



# Semi-Annual Report March 04

## Strength

| Total - Authorized | | | Total - Assigned | | |
|---|---|---|---|---|---|
| Civilian | Full-Time | Part-Time | Civilian | Full-Time | Part-Time |
| | 816 | 1 | | 665 | 7 |
| Military | Full-Time | Part-Time | Military | Full-Time | Part-Time |
| | 20 | 151 | | 15 | 108 |

# Semi-Annual Report March 04

## Strength Continued

| Summary of Personnel Strength | | | |
|---|---|---|---|
| | Mar'03 | Sep'03 | Mar'04 |
| *Professional Authorized | 859 | 840 | 909 |
| *Professional Assigned* | 741 | 742 | 726 |
| Staffed % | 86% | 88% | 80% |
| * Including Part-Time (Civ & Mil) | | | |

This statistic shows our overall staffing - as a percentage of authorized strength - decreasing from 88% in September 2003 to 80% in March of 2004. This should be of special concern to the IR community. We will continue to look at this issue with special interest.

# Semi-Annual Report March 04

## Productivity: Completed Engagements

| Summary Of Completed Engagements | | | | |
|---|---|---|---|---|
| TYPE ENGAGEMENT | Mar '03 | Sep '03 | Mar '04 | Standard |
| Engagements Completed | 2716 | 3013 | 2501 | |
| Engagement In Progress | 2076 | 1664 | 2178 | |
| Professionals Assigned | 741 | 742 | 726 | |
| Engagements Per Auditor | 4 | 4 | 3 | 7 |
| | | | | |

# *Semi-Annual Report March 04*

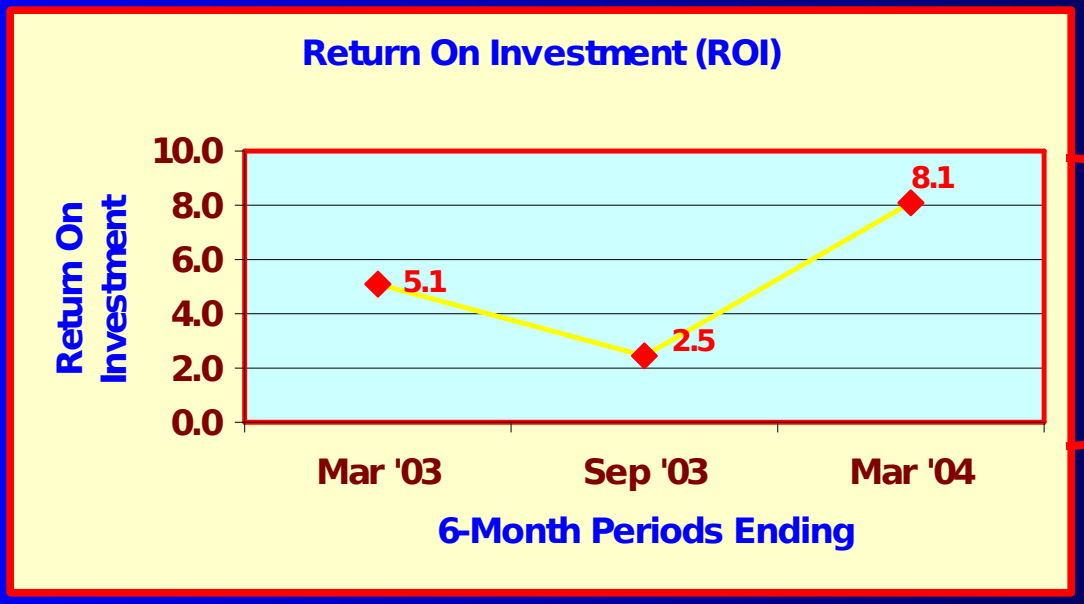
## CPE

| Professionals Assigned | Professionals Meeting Minimum Current CPE | Percentage |
|---|---|---|
| 726 | 599 | 82.5 |

# Semi-Annual Report - March 04

# Potential Monetary Benefits

| Monetary Benefits and Operation Costs in Millions | | | | |
|---|---|---|---|---|
| Period Ending | $ Benefits | Cost | ROI | Standard |
| Mar '03 | $ 130.70 | $ 25.80 | 5.1 | 3.0 |
| Sep '03 | $ 62.60 | $ 25.30 | 2.5 | 3.0 |
| Mar '04 | $ 200.00 | $ 24.80 | 8.1 | 3.0 |




Only 9 of 23 MACOMs

Reported Monetary Benefits in Mar'04

# Semi-Annual Report March 04

## Direct VS. Indirect Days

| Direct VS. Indirect Days | | | | |
|---|---|---|---|---|
| | Mar '03 | Sep '03 | Mar '04 | Standard |
| Direct | 52318 | 50686 | 48925 | |
| Indirect | 14260 | 11931 | 12830 | |
| Total Availabl | 66578 | 62616 | 61755 | |
| % Direct | 78.6% | 80.9% | 79.2% | 70.0% |

# Customer Satisfaction Surve

**Sent out 315 surveys**

**Possible responses:**

| | |
|---|---|
| Strongly Agree | 5 |
| Agree | 4 |
| Neither Agree Nor Disagree | 3 |
| Disagree | 2 |
| Strongly Disagree | 1 |

**Goal** 4.5

# Customer Satisfaction Surve

122 ( 39 percent) responded

Average Score 4.5

Range of Average Scores 1 – 5

74 of 122 (69 percent) > 4.5

# Survey Scores

**IR products and services –**
**Average**

**Score**

**Are useful to me and my staff.**
**4.6**

**Are received in a timely manner.**
**4.4**

**Are of high quality.**
**4.5**

**Meet my and the organization's needs.**
**4.5**

# Survey Scores

**The IR office –**

**Average**

**Score**

**Provides a number of services to this command.**
**4.4**

**Knows my needs.**
**4.3**

**Is staffed with highly skilled professionals.**
**4.4**

**Provides me a valuable management control tool**

# Survey Scores

**IR personnel –**

**Average**

**Score**

**Are perceived as part of my management team.**
**4.4**

**Interact effectively with management.**
**4.4**

**Display a positive attitude.**
**4.5**

**Perform valuable audit liaison services with**
**External audit organizations**

# Survey Scores

**In the future, I will –**

**Average Score**

**Request additional IR products and services. 4.3**

**Promote the use of IR products and services. 4.5**

**It is important to me that IR be staffed with professionals and complies with auditing standards.**

# Customer Satisfaction Survey Commen

**If the name of your command was kept in confidence, would you be willing to share information, I .e., results of IR reviews, IR review programs, etc. with other IR commands?**

| | | |
|---|---|---|
| **Yes** | **95** | **(78 %)** |
| **No** | **27** | **(22 %)** |

# Customer Satisfaction Survey Commen

**How do IR services compare to other audit organizations?**

| | | |
|---|---|---|
| **Better** | **77** | **(63 %)** |
| **Same** | **42** | **(35 %)** |
| **Worst** | **3** | **(2 %)** |

# Customer Satisfaction Survey Commen

**It is important you understand the services that IR can perform for you. Do you believe IR does a good job of marketing their services?**

| | | |
|---|---|---|
| **Yes** | **85** | **(70 %)** |
| **No** | **37** | **(30 %)** |

# Survey Comments

I get weak IR support. Employee too timid to make an impact. My IR person needs better interpersonal skills.

Don't see this organization as value added. Their products are not synchronized with commander priorities and generally seem to work their own agendas. Not helpful. Take the resources and provide back to installations to perform value added work. Eliminate the function and put resources toward a product that has value.

Make the response time from review to brief out a faster process.

# Survey Comments

**The key will be for upcoming commanders, managers and other leaders to know how to use the IR program. This component of the management team should be briefed continually to all levels of leadership.**

**Our IR team is much more competent than the USAAA team. I would recommend that USAAA field offices be abolished and those resources transferred to the installation IR where they can be effectively used.**

# Survey Comments

I need additional staff to include administrative support.

As part of the team, they understand the issues better, particularly important when serving overseas and dealing with a foreign environment. They are also extremely responsive since they are physically present and part of the daily team.

I am very dependent on advice from my Command IR office to make informed financial decisions. I ar also dependent and rely heavily on them to assist in preventing incidents of waste, fraud and abuse.

# Survey Comments

**Retaining the IR Office separate from AAA was a Godsend. Thanks to all who made it happen. We h prompt support from our organization that I don't believe we would get from the organization that w being proposed.**

**Internal marketing is the area where most improvement could be realized.**

# *Build more teamwork*

**A successful team is a group of many hands but of one mind.”**
**---Bill Bethel**

**“When building a team, I always search first for people who love to win.  If I can’t find any of those, I look for people who hate to lose.”**
**---H. Ross Perot**

# Here are some things I want to leave with you:

- Our IR service is a valuable management tool to YOUR command.

- Our service is most effective when our information (internal reviews and/or external audits) is timely and reliable. (Automation will do this for you.)

- Involve your customers in your planning, information sharing techniques, and developing recommendations based on your reviews. (There is power here - folks!)

- Compliment good work; especially that of the IR staff, but that of our customers too! (Follow up with a written note.)

- Set goals. Goals give us focus. Sometimes goals create competition. I loved to compete! Ask Frank Bono.

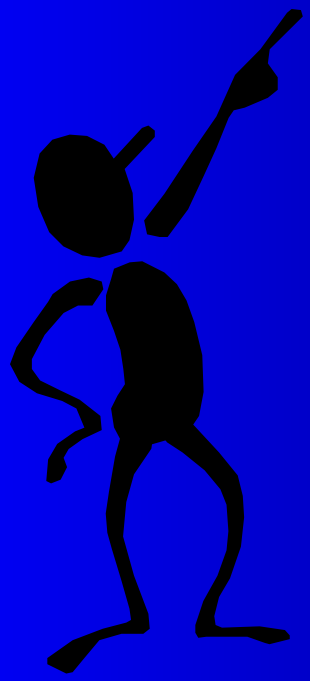
- Finally, make your own Good Luck! Plan for it – Make it happen!!!!!

# To Serve and Be Effective

## We Must be . . . .

More Team Oriented !

More Flexible !!



## We Must Use . . . . .

More Technology